
Introduction to Volume 4

The purpose of this publication is to provide participating schools with guidance on how to request, disburse, manage, and report on the use of Federal Student Aid funds.

Here, we provide a summary of the changes and clarifications presented in greater detail in the chapters that follow. **Alone the text herein does not provide schools with the guidance needed to satisfactorily administer the Title IV HEA programs.** For more complete guidance you should refer to the text in the chapters cited, the Code of Federal Regulations (CFR), and the Higher Education Assistance Act (HEA) as amended.

Throughout this volume, new information is indicated with the following symbol:



When the text represents a clarification rather than a change, it is indicated with:



When we believe that historically there might be some misunderstanding of a requirement, we indicate that with:



If we want to point out a bit of helpful information, we indicate it with:



Finally, if we want to draw your attention to something, we indicate it with:



Major Changes

Chapter 2—Disbursing FSA Funds

- ♦ We have added the definition of the “date of origination” to the discussion of when a school can make a late disbursement.
- ♦ We have added sidebars on extended processing in the Pell and Direct Loan programs.

Chapter 3—Overawards and Overpayments

- ♦ We explain that the prohibition on replacing Direct Subsidized Loan funds with Direct Unsubsidized Loan funds to resolve an overaward discussed in DCL GEN-13-02 does not apply to a school that is trying to correct an award of Direct Subsidized Loan funds in excess of the annual or aggregate maximum (an overaward) for a current loan period so long as the excess funds have not yet been disbursed, the student remains enrolled and eligible, and the student has remaining annual and aggregate eligibility for Direct Unsubsidized Loans.
- ♦ We have added an extended discussion on the prohibition on receiving funds for enrollment at more than one school and the potential overawards (POP) that schools must address.

Chapter 4—Returning FSA Funds

- ♦ We have clarified and expanded the discussion of how a school must return funds from an audit or program review.
- ♦ We have added a discussion on returning funds from a previous award year.

Chapters 5 and 6—Reconciliation

- ♦ We have added the more detailed discussion of reconciliation in the Direct Loan Program previously found in *The Blue Book*, and divided the discussion of reconciliation into two chapters. *Chapter 5* now covers reconciliation in the Pell Grant Program and Campus-Based Programs. Reconciliation in the Direct Loan Program is now covered in *Chapter 6*.

Appendices

- ♦ The material addressing a school’s financial management systems that were previously included in *The Blue Book* have been incorporated into the Handbook as Appendix B.